

## **CONDENSED LICENSING RULES**

### **Fund-Raising Event (Standard or Limited)**

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**WAC 230-04-005 GAMBLING LICENSE CERTIFICATION PROGRAM.** The gambling license certification program is an investigative licensing process in which all applicants are assessed and evaluated against the standards and requirements contained in chapter 9.46 RCW. All applicants that meet the qualifications for licensing will be certified by the commission for an initial license and are subject to recertification by the commission on an annual basis.

**WAC 230-04-010 CERTIFICATION PROCEDURE – APPLICATION FORMS.** Each application for a license from the commission shall be submitted on the license application form approved by the commission. These application forms may be obtained from any office of the commission.

**WAC 230-04-020 CERTIFICATION PROCEDURE – GENERAL REQUIREMENTS – MANDATORY TRAINING REQUIRED.** Applicants for license from the commission shall submit all applications, including the proper fee, as established by WAC 230-04-202, 230-04-203 or 230-04-204 to the administrative office of the commission in Lacey. The application process is as follows:

(1) The application shall be made using a form provided by the commission. The application form must be completed in every respect, containing all the information and attachments requested;

(2) The application shall be signed under oath by an individual attesting that the information set forth in the application and any accompanying materials is true, accurate and complete and that they assume full responsibility for the fair and lawful operation of all licensed activities that the applicant conducts. The following person(s) shall sign the application:

(a) The highest ranking officer/official of a charitable, nonprofit or profit seeking corporation;

(b) The principal owner of a sole proprietorship;

(c) All partners of a partnership or general partner of a limited partnership; and

(d) The mayor or the mayor's designated representative if the application is being submitted by or on behalf of an incorporated city or town.

(e) The director may also require the following persons to sign the application:

(i) The chairman of the board of directors or trustees;

(ii) The person in charge of financial records; and/or

(iii) Persons with a substantial interest in the applicant business or charitable/nonprofit organization.

(3) The commission will consider only those applications that have been fully completed. Failure to respond to written notification of an incomplete application, within twenty days of such notice, shall be cause for administrative closure of the application. The following reasons will cause an application to be incomplete:

(a) Failure to provide all information requested on the application form and/or attachments;

(b) Failure to provide supplemental information requested during the licensing investigation;

(c) Failure to attend mandatory precertification training;

(d) Failure to provide fingerprints or samples of handwriting; and

(e) Failure to submit proper fees.

(4) The commission may disclose to the public or discuss at a public meeting all information set forth in the application and all supplemental information submitted subject to the exemptions in chapter 42.17 RCW and other applicable laws including, but not limited to, chapter 10.97 RCW: *Provided*, That consistent with chapter 10.97 RCW, the commission may disclose conviction data of an applicant or licensee.

(5) The commission shall not issue a license until it is satisfied that the applicant is completely qualified to operate the activity for which a license is requested. Prior to issuing a license, the commission will:

(a) Conduct a review and investigation of all information available, whether submitted as a part of the application or otherwise obtained, to the degree deemed necessary to attest to the qualification of the applicant and the gambling premises; and

(b) Require all persons who sign the application, as set out in subsection (2) of this section, plus the manager or other designated person(s) responsible for conducting the gambling activity or completing records, to complete a training course as established and provided by the commission: *Provided*, That mandatory training shall not be required for manufacturers; manufacturers representatives; or applicants or licensees with special circumstances as approved by the director. Mandatory training shall be completed within the following time lines:

(i) New applicants – Within sixty days of application and prior to being granted a license: *Provided*, That cardroom employees and bingo managers must attend training no later than thirty days after the first day of work;

(ii) Annual recertification – no later than sixty days after the effective date of the license: *Provided*, That only those person(s), as set out in subsection (2) of this section, which are newly designated to sign the application since the last license application shall be required to attend training if they have not attended within the previous three years; and

(iii) Changes to managers or other designated persons responsible for conducting gambling activities or completing records – no later than sixty days after the first day of work.

**WAC 230-04-022 CERTIFICATION PROCEDURE – INFORMATION REQUIRED FROM ALL APPLICANTS.** In addition to other information required by the commission, each applicant shall provide the following information on or attached to the application:

#### **Articles of incorporation and bylaws.**

(1) Copy of corporate applicants' articles of incorporation and bylaws; or, if not a corporation, a copy of any bylaws and other documents which set out the organizational structure and purposes of the organization;

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#### **IRS tax exemption letter.**

(2) A copy of a nonprofit or charitable applicant's Internal Revenue Service tax exemption letter if one has been obtained;

#### **Lease or rental agreements.**

(3) Details and copies of all lease or rental arrangements, whether oral or written, between the applicant and the owner of premises upon which the gambling activity will be conducted, if such premises are leased or rented;

#### **Franchise agreements.**

(4) Details and copies of any and all franchise agreements or other agreements, whether written or oral, if any, between the applicant and distributors or manufacturers of equipment or between the applicant and any other person where those agreements relate to gambling activities or gambling equipment;

#### **Management agreements.**

(5) Details and copies of all proposed management agreements or contracts between the applicant and any gambling service supplier involved in providing services defined in WAC 230-02-205. All such agreements or contracts shall be reviewed by commission staff prior to the effective dates of the agreements to assure compliance with this title. No financing or management services shall be provided prior to commission approval of the contracts;

#### **Paid employees or agents.**

(6) The name, address, date of birth, and Social Security number of each paid employee or agent who will work in the activity for which the license is sought and a schedule of the proposed number of employees, job descriptions, and a proposed pay schedule;

#### **Substantial interest holders.**

(7) Sufficient personal information to ensure each substantial interest holder as defined by WAC 230-02-300 is qualified to hold a license or participate in a licensed or authorized gambling activity;

#### **Report changes to application.**

(8) If any information required on the application, changes or becomes inaccurate in any way, the commission shall be notified prior to issuance of a license. Failure to notify the commission of any changes affecting an application may constitute grounds for suspension or revocation of all licenses.

#### **Exceptions for cities and towns.**

(9) Subsections (1), (2), and (7) of this section shall not apply to applications by or on behalf of an incorporated city or town in the state of Washington.

#### **WAC 230-04-024 BONA FIDE CHARITABLE OR NONPROFIT ORGANIZATIONS – MINIMUM QUALIFICATIONS – RESTRICTIONS – DEFINITIONS.**

All organizations requesting to be certified to conduct gambling activities for charitable or nonprofit purposes must provide conclusive evidence that they are qualified under the requirements of RCW 9.46.0209 and formed and operated for purposes other than to conduct gambling activities. Each applicant shall comply with all of the following requirements and restrictions:

(1) An organization must be a bona fide charitable or nonprofit organization and have been formed and operated for the following purposes in order to conduct gambling activities:

(a) Any organization duly existing under the provisions of chapters 24.12, 24.20, or 24.28 RCW;

(b) Any organization, whether incorporated or not, which has been formed and operating exclusively for one or more of the purposes set out in WAC 230-02-155 and/or 230-02-161;

(c) Any corporation which has been incorporated under Title 36 U.S.C. and whose principal purposes are to furnish volunteer aid to members of the Armed Forces of the United States and to carry on a system of national and international relief to reduce the suffering caused by pestilence, famine, fire, floods, and other national calamities;

(d) An incorporated city or town in the state of Washington; or

(e) A branch or chapter of a parent organization, when such parent organization is itself eligible for licensure. A branch or chapter must demonstrate to the satisfaction of the commission that it has not been formed and operated for purposes of conducting gambling activities and is in its own right qualified to obtain the license sought. The director may require an affidavit signed by the chief executive officer of the parent organization certifying that the branch or chapter is a bona fide subdivision of the parent organization.

(2) An organization must have been organized and continuously operating for at least twelve months prior to submitting a request to be certified. For purposes of this section, "continuously operating" means that during the immediate twelve months preceding the request, the organization has provided services to members or the public which directly relate to its stated purposes: Provided, That if the organization's sole function during the immediate twelve months has been fund-raising for purposes of providing future services, it may be deemed to have been "continuously operating" for purposes of this section;

(3) An organization must have at least fifteen active members as defined by WAC 230-02-183, each with an equal vote in elections of officers or board members who determine the policies of the organization;

(4) An organization must have demonstrated that it has made significant progress, measured as set forth in WAC 230-08-255, toward meeting its stated purposes during the twelve consecutive month period preceding a request to be certified;

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(5) An organization must ensure that salaries or wages, if paid, are:

(a) Necessary to economically conduct the activities of the organization; and

(b) Reasonable when compared to the local prevailing wage scale for similar positions. For purposes of this section, "similar position" means a type or classification of position that has a predominance of characteristics, duties, and/or responsibilities that closely approximate those of the position being compared and which the scope of duties and responsibilities are at the same approximate level. Organizations that pay salaries or wages, that are not reasonable when compared to similar positions in the general area of employment, shall be deemed as paying salaries and wages that are directly or indirectly based on gambling receipts received.

(6) An organization must take positive steps to ensure the assets of the organization are protected from misuse, dedicated solely to the purposes of the organization, and do not inure to the benefit of private individuals;

(7) An organization must provide in its bylaws or, if incorporated, in its articles of incorporation, a statement that upon dissolution all assets of the organization remaining after satisfaction of all its debts must be distributed to another bona fide nonprofit or charitable organization qualified under RCW 9.46.0209;

(8) An organization shall not accumulate excessive reserves, as defined in WAC 230-02-137. Organizations accumulating excessive reserves may be deemed as organized primarily for purposes of gambling. Reserves shall be computed by utilizing the most recently filed financial data, as required by WAC 230-08-122. Funds transferred to an endowment or specifically restricted trust fund will not be treated as reserves for purposes of this section if the following restrictions are observed:

(a) The endowment or specifically dedicated trust fund is either legally irrevocable or restricted in a manner that approval is required by a majority of the membership prior to use or transfer of the principal or corpus;

(b) The funds are expressly dedicated for funding new programs, capital projects, or to endow service-providing activities;

(c) The funds are saved according to a plan that includes the amount to be reserved, the purpose for which the funds are being reserved, and the estimated time the reserves will be used;

(d) The plan is approved by the organization's officers or board of directors and documentation pertaining to the endowment or trust fund is submitted to the commission for review and approval; and

(e) The total amount of net gambling income that is transferred to endowment or trust funds, in combination, does not exceed two million dollars: Provided, That an organization may petition the director to exceed this limitation. The director may approve the petition as requested, disapprove with written comments, or approve a modified level based on facts presented. The director's decision may be appealed to the commission. Appeal of this decision will be heard at a regular public meeting of

the commission under the requirements of WAC 230-50-850. The commission's decision shall be final. Petitions for relief under this section shall include: The reason for the request, including whether the increased reserves are for charitable or nonprofit purposes and planned time-lines for use; the total amount of reserves requested; the impact on programs if the petition is denied; and alternative sources of funding available;

(9) An organization must maintain records to support compliance with the requirements of this section. Such records shall be completed per WAC 230-08-010, and include details necessary to allow reasonable confirmation of compliance by commission staff. At least the following records shall be maintained:

(a) Official minutes of all membership and board meetings including issues discussed, decisions made, and members in attendance;

(b) A listing of the names of all members. Full names, addresses, telephone numbers, and the dates they became a member must be provided for all "active members";

(c) A copy of the most recently approved articles of incorporation and bylaws; and

(d) All correspondence with the Internal Revenue Service and the secretary of state regarding the organization's status as a nonprofit organization.

(10) Incorporated cities or towns, authorized by subsection (1)(d) of this section, are exempted from the requirements of subsections (5), (6), (7), (8), and (9) of this section.

**WAC 230-04-030 COMMISSION MAY POST PUBLIC NOTICE OF LICENSE APPLICATION ON PREMISES.** The commission may, at its discretion, place, or require to be conspicuously placed, a notice upon each premises upon which a gambling activity is to be conducted under a license for which application has been made. The notice shall advise the public that such license has been requested and that any comments persons wish to make concerning the license application, or the propriety of granting such a license to the applicant(s), or for those premises, may be made to the commission prior to a date certain.

The applicant(s) shall take all reasonable measures to insure that the notice remains posted thereafter until the last day set forth thereon for making comment and shall report to the commission forthwith if said notice has been removed prior to that date.

**WAC 230-04-035 CERTIFICATION PROCEDURE – CHARITABLE AND NONPROFIT ORGANIZATIONS – CLASSIFICATION OF PURPOSE.** (1) Each organization requesting a license to conduct gambling shall be classified as either a "charitable organization" or a "nonprofit organization." The classification will be based upon an organization's primary purpose as set forth below:

(a) If an organization is classified as a "charitable organization," its primary purpose shall be charitable as defined in WAC 230-02-160.

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(b) If an organization is classified as a "nonprofit organization," it will be assigned one or more of the purposes set forth in WAC 230-02-161 as its primary purpose(s).

For the purposes of this classification, the term primary purpose shall mean the lawful purpose to which a majority of an organization's fiscal year income was spent or dedicated. If an organization did not use a majority of its income for any single purpose, the purpose to which the greatest percentage of its income was devoted shall be an organization's primary purpose.

(2) In determining an organization's primary purpose, the commission staff shall review the organization's declaration of purpose, reported achievements, and expenditures made during the preceding twelve months.

(3) An organization may challenge its assigned purpose, by submitting to the director additional evidence supporting its choice. The director shall then issue a written decision as to the organization's primary purpose. The director's decision may be reviewed by the commission upon written request.

**WAC 230-04-040 CERTIFICATION PROCEDURE – CHARITABLE AND NONPROFIT ORGANIZATIONS – ADDITIONAL INFORMATION REQUIRED.** Any organization not currently licensed to conduct gambling activities and requesting to be certified to conduct gambling activities in Group III, IV, or V, or planning to pay premises rent exceeding two thousand dollars per month, including all terms, shall submit a pro forma plan of operations, including a market study. The plan shall be detailed enough to allow commission staff the ability to assess the profitability of the planned gambling activity and potential for compliance with WAC 230-20-059 and 230-30-052. The plan shall include at least the following information, if applicable:

(1) Research procedures and planning assumptions used;

(2) Planned number of customers or attendance;

(3) Days and hours of operations;

(4) If planned activities include bingo, the following must be provided:

(a) Anticipated market area and map of competing organizations that operate similar gambling activities, along with their days of operation;

(b) Number of bingo sessions;

(c) Bingo card prices and estimated sales per player;

(d) Bingo prize payouts and game schedules;

(5) Estimated gross gambling receipts from each activity;

(6) Estimated expenses and net income;

(7) Details of income generating activities planned in conjunction with the gambling activity, such as snack bar operations or other retail sales and the anticipated net income from such activities; and

(8) Other information requested by commission staff.

**WAC 230-04-064 CERTIFICATION OF NEW LICENSES – FORMAL COMMISSION APPROVAL.** The commission shall review and make a determination regarding the qualification of all persons or organizations requesting to operate gambling activities authorized by chapter 9.46 RCW. The following review procedures apply to applicants for a license:

#### **Procedures.**

(1) To determine if an individual, organization, and all other applicants for a gambling license are qualified to hold a license, staff shall:

(a) Investigate the qualifications of each applicant;

(b) Prepare a recommendation for the commission; and

(c) Present the recommendation to the commission at a public meeting.

#### **Additional requirements for charitable organizations.**

(2) As part of the review process, bona fide charitable or nonprofit organizations shall clearly demonstrate that progress has been made in meeting its stated purpose(s) in order to be granted the privilege of raising funds from authorized gambling activities.

#### **Formal commission approval.**

(3) The commission shall review each application at a public meeting. Each qualified applicant shall be issued the license requested. If the commission does not approve the application, it shall be returned to staff for further investigation.

**WAC 230-04-065 CERTIFICATION PROCEDURE – BONA FIDE CHARITABLE AND NONPROFIT ORGANIZATIONS – LOWER VOLUME – SIMPLIFIED APPLICATION.** (1) The director may prepare a simplified license application form for at least the following activities:

(a) Fund raising events (All classes);

(b) Bingo (Classes A, B, and C);

(c) Raffles (Classes A, B, C, and D); and

(d) Amusement games (Classes A, B, C, and D); and

(e) Card games (Classes C and D).

(2) The simplified application form shall follow the same procedure as required by WAC 230-04-020.

(3) At the minimum, the following information and documents shall be submitted with the application:

(a) Copy of a corporate applicant's articles of incorporation and bylaws or, if not incorporated, a copy of any bylaws and other documents which set out the organizational structure and purposes for which a noncorporate organization applicant was formed and operates. If the above documents are not available, an affidavit of the chief officer or responsible person with the organization setting out the purpose for which the organization exists and operates;

(b) A copy of the tax exemption letter from the United States Internal Revenue Service or information as to whether such exemption has been applied for and denied;

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(c) The name, address and date of birth of each employee who will participate in the operation of, and of each person who will participate in the management of, the activity for which the license is sought;

(d) The name, address and date of birth of each person who has any interest in the gambling activity for which the license is sought, the building within or premises upon which the activity will occur or the equipment to be used for such gambling activity;

(4) Refer to WAC 230-20-400 for certain other exemptions subsequent to issuance of license(s). These exemptions and those referred to in WAC 230-08-015, do not apply to fund raising events.

#### **WAC 230-04-210 WITHDRAWAL OF APPLICATION.**

An application for any license may be withdrawn by the applicant by submitting to the commission a written notice of withdrawal of the application. To be effective, such written notices must be actually received in the office of the commission in Olympia by 5:00 p.m. the day prior to issuance or denial of the license by the commission or its delegate.

The fact that an application for a license has previously been withdrawn shall not prejudice any future application for a license from the commission.

**WAC 230-04-220 PRORATING AND REFUNDING OF FEES.** (1) Unless otherwise provided by law, there will be no prorating or refunding of any license fee subsequent to issuance of a license or permit for the following actions:

- (a) Discontinuation of business;
- (b) Voluntary surrender of a license or permit; and
- (c) When a license or permit has been suspended, revoked, or otherwise canceled.

(2) Upon denial, voluntary withdrawal or administrative closure of an application for license, adoption or change of trade name, or change of location, the commission shall retain that portion of the fee tendered therewith as is necessary to offset its costs of processing and investigating the application: Provided, That the commission shall retain the entire fee when an individual license applicant performs any or all portions of the duties for which a permanent license is sought.

#### **WAC 230-04-240 SPECIAL INVESTIGATION FEE.**

In addition to the basic license or permit fees, the commission may require payment of such additional license fees as are necessary to defray the costs of background investigations of applicants for whom adequate background information sources are not readily available, including, but not limited to, applicants who have not resided in the state of Washington for at least one year. The commission may require payment of the estimated additional license fee in advance as a condition precedent to beginning the investigation.

The commission shall notify the applicant as soon as possible after it makes the determination that such additional fee is necessary and shall further notify the applicant of the commission's best estimate of what such additional license fee will be: Provided, That such estimate

shall not be binding upon the commission. Any applicant may then withdraw his application if he so chooses, as provided under WAC 230-04-210 and 230-04-220.

#### **WAC 230-04-260 EFFECT OF EXCEEDING LICENSE CLASS INCOME LIMIT – PROCEDURES – PENALTIES.**

During any annual license period, a licensee shall not exceed the gross gambling receipts limits set forth on the license, except as authorized by this section. The following procedures, limitations, and penalties apply to licensees that exceed limits for any license.

##### **Anticipating gambling receipts limit will be exceeded.**

(1) Each licensee shall monitor the level of gross gambling receipts received from each gambling activity. When a projection of year-to-date receipts, as applied to the remaining period of the license, indicates that it is reasonably likely that a license will be exceeded, the licensee shall immediately comply with the following:

(a) Apply for a license that authorizes the anticipated level of gross gambling receipts; and

(b) Submit the basic fee required for the new license, less the amount originally submitted for the previous license, plus a change of classification fee required by WAC 230-04-202 or 230-04-203.

(2) Any license upgrade issued by the commission shall be valid only for the remainder of the original term of the license.

##### **Penalty for failing to apply for license upgrade.**

(3) Any licensee that fails to comply with the requirements set forth in subsection (1) of this section and exceeds the license class limit within a present or previous license year, may be assessed an exceeding class fee not to exceed fifty percent of the difference between the fees for the present license class and the new license class or one thousand dollars, whichever is less. Upon written notice by the commission assessing an exceeding class fee, a licensee shall remit the proper fee plus all upgrade fees within twenty days. Failure to remit such fees may result in a summary suspension of all licenses held by the licensee pending a hearing for the suspension or revocation of such licenses.

##### **Partial refund of license fees when gambling receipts limit is not achieved.**

(4) A licensee shall be allowed to apply for a partial refund of its license fee when its annual gross gambling receipts are less than the minimum for the class of license issued. The amount of refund shall be the difference between fees actually paid to operate during the period and those fees that would normally apply to the level of gross gambling receipts actually received during the period. Such request shall be made after the end of any annual license period and prior to the end of the next annual license period.

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**WAC 230-04-270 BAD CHECKS SUBMITTED AS PAYMENT OF FEES.** The payment of a license fee by a check, which for any reason is not promptly paid by the drawee bank, shall be grounds for immediate administrative closure of a new application, voiding of a temporary license, or revocation of a continuing license. If an application or license is administratively closed, voided or revoked under this section, a new application must be submitted with fees payable only by certified check, money order, or cash. Upon notification that a check is not negotiable or when a check must be resubmitted for payment for any reason, the commission shall:

(1) Add a processing charge of thirty dollars to the required license fee; and

(2) Notify the applicant by phone or in writing that payment in full, by certified check, money order, or cash, must be remitted within five days of the notification date. If the proper fee is not received within five days, the commission will proceed with appropriate administrative action.

**WAC 230-04-325 CANCELLATION, CHANGE OF TIME, DATE, OR LOCATION OF FUND RAISING EVENT.** A cancellation or a change in time, date, and/or location of a fund raising event as defined in RCW 9.46.020 requires:

(1) For cancellation, the licensee shall notify the commission and the appropriate law enforcement agency in advance of the date upon which the event is scheduled.

(2) For change of time, date, or location, the licensee shall:

(a) Give at least ten days written notice to the commission in advance of the new time, date, or location change, together with a signed statement from the chief executive officer that the appropriate law enforcement agency has been notified of the change;

(b) Pay a fee as required by WAC 230-04-202 to the commission for each such time, date, or location change.

(3) For a cancellation or change in time, date, and/or location, the license authorizing the event for the specific time, date, or location shall be returned to the commission.

**WAC 230-04-400 DENIAL, SUSPENSION OR REVOCATION OF LICENSES.** The commission may deny a license or permit to any applicant, or may suspend or revoke any and all licenses or permits of any holder, when the applicant or holder, or any other person with any interest in the applicant or holder:

(1) Commits any act that constitutes grounds under RCW 9.46.075 for denying, suspending, or revoking licenses or permits;

(2) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, any form of criminal assault, any crime involving a threat of physical harm against another person, or any crime involving an intention to inflict physical harm on another person, whether any of these crimes is a misdemeanor or felony;

(3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level. This includes, but is not limited to, failure to make required gambling tax payments to local taxing authorities, as supported by a petition submitted by the local taxing authority;

(4) Is serving a period of probation or community supervision imposed as a sentence for any criminal offense, whether juvenile, misdemeanor, or felony, and whether or not the offense is covered under RCW 9.46.075(4): Provided, That each case will be individually analyzed to determine the extent to which the probationary or supervisory status affects the person's qualifications to hold a license or permit;

(5) Is the subject of an outstanding gross misdemeanor or felony arrest warrant;

(6) Poses a threat to the effective regulation of gaming or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gaming activities, as demonstrated through the person's prior activities, criminal record, reputation, habits, or associations;

(7) When other than a charitable or nonprofit organization operates punch boards or pull-tabs, or operates or allows card games at any time other than as a commercial stimulant;

(8) Fails to provide at the office of the commission any information required under the commission's rules within the time required therefor by applicable rule, or if no maximum time has been established respecting the particular kind of information by other rule then within thirty days after receiving a written request therefor from the commission or its staff;

(9) Allows any person to participate in the management or operation of any activity regulated by the commission without prior written approval of the commission or its director when that person:

(a) Has been convicted of, pleaded guilty to, or forfeited bond upon any of the offenses set out in RCW 9.46.075(4);

(b) Has violated any other provisions of chapter 9.46 RCW or Title 230 WAC; or

(c) Would otherwise be subject to denial or revocation under the provisions of this section.

(10) If a supplier, manufacturer, financier, or management company knowingly provides or provided goods or services to an entity that is illegally operating gambling activities or was illegally operating gambling activities at the time such goods or services were provided; and

(11) Commits any other act that the commission determines constitutes a sufficient reason in the public interest for denying, suspending, or revoking licenses or permits.

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**WAC 230-04-450 DISPLAY OF LICENSES.** All licenses or permits granted by the commission shall be prominently displayed in the licensee's gaming area and available for inspection by commission staff, law enforcement agents and the public at all times: Provided, That individual licenses, as set forth in WAC 230-04-204, shall not be required to be on display but must be available to the public upon request.

**WAC 230-04-500 LOCAL GAMBLING PROHIBITIONS.** The commission shall issue no license to engage in any gambling activity in a county or city after the commission has been adequately notified in writing by the governing body of such county or city that the activity has been prohibited.

**WAC 230-12-305 LICENSEE REQUIRED TO SUBMIT UPDATED DOCUMENTS OR INFORMATION.** In addition to any other requirements set forth in these rules, persons licensed by the commission shall submit any new or updated documents or information including, but not limited to, the following:

(1) Articles of incorporation or by laws, or any other documents which set out the organizational structure and purposes;

(2) Internal Revenue Service tax exemption status (charitable/nonprofit organizations only);

(3) All contracts and agreements, whether oral or written which relate to gambling activities or alter the organizational structure of the licensee or its business activities in Washington state; and

(4) All cash or asset contributions, draws from lines of credit, and loans, from other than recognized financial institutions, which individually or collectively exceed a total of ten thousand dollars during any calendar year: Provided, That cash or asset contributions do not include donations to licensed charitable or nonprofit organizations.

**Submission timeline.**

(5) The new or updated documents and/or information shall be submitted to the commission no later than sixty days following the transaction(s) date.

**WAC 230-12-310 LICENSEES TO REPORT TO THE COMMISSION CIVIL, CRIMINAL AND ADMINISTRATIVE ACTIONS FILED AGAINST THEM.**

(1) Each licensee shall report to the commission within fourteen days, all criminal actions filed against the licensee or the licensee's president, chief executive officer, chairman of the board, treasurer (chief financial officer), partner, person holding a substantial interest or manager of the licensed gambling activity. The final disposition of the case must be received by the commission within thirty days after the final disposition.

(2) Each licensee shall report to the commission within thirty days, all civil and administrative actions filed by or against persons listed in subsection (1) of this section that involve ownership or control of the business, dissolutions, actions significantly affecting business

interests, such as patent or copyright infringement and all administrative actions from other gambling regulatory agencies, including those from other countries and Indian tribes. The final disposition of the case must be received by the commission within thirty days of the final disposition.

(3) The report shall consist of a complete copy of the original documents filed. The licensee shall notify the commission of the final disposition of the case and include a copy of the final documents filed including, but not limited to, settlement agreements.

(4) The director may exempt reporting specific types of civil actions upon written request and for good cause shown.

**WAC 230-25-020 FUND-RAISING EVENT – LICENSEE TO GIVE NOTICE TO LOCAL POLICE JURISDICTION PRIOR TO CONDUCTING – INSPECTION OF EQUIPMENT BY POLICE.** No person licensed to conduct fund-raising events shall conduct any such events at any location within the state of Washington without having first given notice to the local police agency of the jurisdiction within which the fund-raising events are to be conducted. Such notice shall be in writing, addressed to the head of the local police agency, and shall be delivered no less than ten days in advance of the date upon which the fund-raising event is to be conducted: Provided, That this time may be reduced by the chief officer of the local law enforcement agency for good cause shown.

Such notice shall include the following information:

(1) The name and address of the licensee, and the name and local address of the person exercising managerial authority over the conduct of the event at that location;

(2) The date or dates the fund-raising event will be conducted;

(3) The location at which the fund-raising event will be conducted.

The licensee shall not utilize any equipment in the conduct of the fund-raising event unless the equipment has been available for inspection by the local police agency for a period of two hours immediately preceding such utilization.

**WAC 230-25-030 FUND-RAISING EVENT – TEN THOUSAND DOLLARS ANNUAL NET RECEIPT MAXIMUM.** (1) The annual net receipts an organization shall earn conducting fund-raising events (FREs) must not exceed ten thousand dollars. Licensees must ensure the net receipts limit is not exceeded. Net receipts are calculated by subtracting money used to purchase prizes and pay-out cash prizes, from all wagers and bets received. This limitation applies to licensees conducting:

(a) One FRE for a period of seventy-two consecutive hours once during a calendar year; or

(b) Two FRE occasions during a calendar year. Each event shall not exceed twenty-four consecutive hours.

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#### **Limited FREs may deduct cost of equipment rental.**

(2) Licensees conducting *limited* FREs (see WAC 230-25-325) may also deduct the cost of equipment rental from their gross receipts (all wagers and bets received) when calculating the ten thousand dollar annual net receipts maximum.

#### **Distribution of excess net receipts.**

(3) Licensees conducting FREs must distribute excess net receipts to another charitable or nonprofit organization that is either licensed by the commission, or meets the criteria set forth in RCW 9.46.0209. The money must be distributed by check within thirty calendar days following the FRE. The licensee shall conspicuously post in the FRE gambling area

**WAC 230-25-033 FUND-RAISING EVENTS ON NEW YEAR'S EVE EXTENDING PAST MIDNIGHT.** For the purposes of computing and applying limitations in chapter 9.46 RCW and these rules upon income to the licensee and upon the number of events, or consecutive hours in such events, in a calendar year, a fund-raising event which (1) includes any part of December 31, and (2) continues past midnight into the new calendar year, shall be treated as if each hour of the event had been held solely in the calendar year designated by the licensee upon the license application submitted to the commission for the event.

**WAC 230-25-040 FUND-RAISING EVENT – HOUSE RULES TO BE DEVELOPED AND POSTED – LIMITATIONS ON WAGERS.** (1) Before conducting a fund-raising event (FRE), each licensee shall develop house rules to govern the scope and manner of all gambling activities to be conducted during the FRE. At a minimum, these rules shall:

(a) State the maximum amount of a single wager that may be placed by FRE participants. Wagering limits are as follows:

- (i) Single wagers shall not exceed ten dollars;
- (ii) Raffles or other similar drawings may exceed the ten dollar wagering limit, but may not exceed the limitations set forth in RCW 9.46.0277; and

- (iii) There are no limits on wagers made using scrip.
- (b) Prohibit any thing of value from being given to any person involved in the management or operation of the FRE; and

- (c) Prohibit any person involved in the management or operation of the FRE from accepting any thing of value.

#### **Posting house rules.**

(2) A copy of the rules shall be conspicuously posted in the area where the FRE is being conducted at all times during the FRE. A copy must be available, upon request, to any law enforcement officer or representative of the commission, or member of the general public.

**WAC 230-25-050 WAGERING AMONG PARTICIPANTS NOT PERMITTED.** No licensee to conduct a fund-raising event shall permit, as a part of that fund-raising event, a gambling activity which involves a wagering of money or other items of value by one participant against another participant. This rule shall not be construed to prohibit gambling activities wholly administered by the licensee wherein the licensee collects wagers from among the participants and determines the winners and amounts of prizes on a parimutuel basis.

**WAC 230-25-055 USE OF CHIPS, SCRIP OR SIMILAR ITEMS AT FUND-RAISING EVENT.** All chips, scrip or similar items, used as a substitute for money at a fund-raising event shall be issued only during and at the fund-raising event itself.

No such chips, scrip or similar items shall be redeemed by any licensee after the event is concluded.

**WAC 230-25-060 COIN-OPERATED GAMING DEVICES PROHIBITED.** In no event shall coin-operated pull-tab dispensing devices, or any other mechanical gambling or lottery device activated by insertion of a coin or other object be utilized at or in connection with the conduct of, the fund-raising event.

#### **WAC 230-25-065 LICENSEES MAY JOIN TOGETHER TO CONDUCT A FUND-RAISING EVENT.**

(1) Organizations holding a license to conduct a fund-raising event may join together with other organizations holding such a license to jointly conduct a fund-raising event providing that the following conditions are met:

(a) Prior approval to do so is received by each licensee from the commission for that particular fund-raising event;

(b) The method by which any income or losses and expenditures will be received, expended, and apportioned among the licensees conducting the fund-raising event is disclosed in writing to the commission, together with the application for the fund-raising event. Changes to the original application must be approved by the commission;

(c) The percentage of income or loss agreed to by any organization shall not be greater than the percentage needed for them to reach the maximum of \$10,000 for the calendar year;

(d) A lead organization and an event manager are designated in the application, with the lead organization having the responsibility for the central accounting system required by WAC 230-25-070, and compliance with WAC 230-25-030(3) regarding the distribution of receipts beyond those permitted in (2) below;

(e) Each licensee shall prepare a list of all persons from their organization taking part in the management or operation of the fund-raising event. Such list shall be available on the premises and contain, at a minimum, the name, address, telephone number, and a brief statement signed by the chief executive officer certifying that each member listed is a bona fide member as specified in RCW 9.46.020(15) and WAC 230-25-260.

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(f) A fund-raising event report will be prepared and submitted by the lead organization as required by WAC 230-08-260; and

(g) Records are kept by each of the participating licensees which clearly disclose the amount of money received and expended in connection with the joint fund-raising event;

(2) The amount of income derived from the joint fund-raising event will not exceed the event limit of \$10,000. In addition, each participating organization must comply with annual limits imposed by RCW 9.46.020(23) and WAC 230-25-030. The joint fund-raising event shall count against only the lead organization or organizations receiving fifty percent or more of the allowable proceeds for the purposes of determining the number of such events an organization may conduct each year.

(3) The lead organization will be responsible for the deposit of the ending cash on hand and must comply with WAC 230-25-070(12). All funds due to any participating organization must be made by check and disbursed within 30 days following the end of the event.

#### **WAC 230-25-070 FUND-RAISING EVENTS – CENTRAL ACCOUNTING SYSTEM REQUIRED.**

Licensees conducting fund-raising events (FREs) shall establish and maintain a central accounting system in a format prescribed by the commission for all activities conducted at the FRE. Licensees shall obtain accounting forms from the commission.

#### **Components of the central accounting system.**

(1) The central accounting system shall contain, but is not limited to, the following:

##### *Personnel.*

(a) Adequate personnel and physical areas to provide for the following minimum separation of duties:

(i) A banker, cashier, or count room to handle the original bankroll, provide coin or chips to the games, redeem chips and cash checks for the players;

(ii) A runner to transport money, chips and lock boxes between stations of the event; and

(iii) Pit bosses, each of whom shall supervise the operation of not more than six gambling stations and who shall supervise the transfer of lock boxes and chips/change trays to the count room.

##### *Procedures for securing, handling and counting money.*

(b) An area for the counting of money which is segregated from the area gambling is conducted. All money received in connection with the FRE shall be brought to this area for counting. Once any such money has been brought to this area, three persons shall be assigned to the count area with a minimum of two in the counting area at all times.

(c) The beginning bankroll shall be verified by at least two persons who shall sign such verification.

(d) There shall be documentation containing verifying signatures for the transfer of money between any two stations of the event.

(i) All count/fill slips shall be used sequentially. Voided count/fill slips will be signed by two persons and retained with accounting records.

(ii) All unused count/fill slips shall be retained along with all other count/fill slips as part of that FRE's accounting records.

(e) All games shall be numbered and provided with lock boxes and money paddles. The money paddle shall remain in the lock box slot whenever it is not in use. The money slot of the lock box shall not exceed three and one-half inches in length and one-half inch in width.

(f) The keys to all lock boxes are to be kept in the count room at all times and the lock boxes are to be opened only in the count room by the count room personnel.

(g) All games are to be played using coin or chips and all currency tendered by the players shall be exchanged for coin or chips and immediately placed in the lock box by the dealer.

(h) All money and chips shall be transferred to the count room at the end of the day or event for final tabulation, reconciliation, and verification.

(i) The final tabulation and reconciliation shall be verified by at least three count room personnel who shall sign such verification.

(j) Access to the count room and the bankers and cashier's areas shall be restricted to the persons assigned to those functions and to the runner(s) who transport money or chips to or from those stations.

(k) Records shall provide sufficient detail to determine the net receipts of each activity conducted.

(l) The records shall contain a reconciliation of the ending cash on hand to net receipts.

(m) The ending cash on hand shall be deposited intact within two banking days of the conclusion of the event, and a validated deposit slip shall be included as part of the event records. There shall be no expenditure of any kind made from the ending cash prior to deposit. However, this subsection shall not prohibit a licensee from exchanging its ending currency and coin for a check of equal value to reduce the risk and exposure of carrying or storing large amounts of money.

#### **Accounting system for *limited* FREs.**

(2) Subsection (1) of this section shall not apply to *limited* FRE licensees (see WAC 230-25-325). For accounting purposes, *limited* FRE licensees shall comply with WAC 230-08-010 and must also provide details regarding how much of the admission fees from the FRE are allocated to gambling scrip and how much is allocated to other FRE expenses.

#### **WAC 230-25-100 FUND-RAISING EVENT – LEASING OF COMMERCIAL BUSINESS PREMISES – CONDITIONS.**

(1) Fund-raising events (FREs) shall not be operated within a commercial business catering to the public except when:

(a) The room or other portion of the premises in which the FRE is being conducted is separate and apart from the portion being used for the commercial business;

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(b) The commercial business is closed to the public at all times during which the FRE is conducted on the premises; or

(c) The FRE is being conducted upon the premises of a bona fide charitable or bona fide nonprofit organization which is not also being used for a profit seeking business.

(2) No licensee shall conduct a FRE on or within any portion of a commercial business premises during the period any other FRE is being conducted on or within any portion of that retail premise.

(3) For *limited* FREs (see WAC 230-25-325), the FRE equipment distributor must not provide the facility or be otherwise compensated by the facility where the *limited* FRE is conducted.

#### **Separate and apart defined.**

(4) As used in this rule, separate and apart means a permanent or temporary partition which provides a solid, distinct separation between the portion of the room or premises the FRE is being conducted and the portion of the room or premises being used for the commercial business. This partition must limit the flow of pedestrians between the FRE and the commercial business to not more than two designated openings.

#### **FRE operator to control premises - exception for liquor.**

(5) The FRE operator must have, and exercise, complete control over the portion of the premises being used for the FRE, at all times the event is being conducted: Provided, That when the sale, service or consumption of intoxicating liquor is permitted in said portion of the premises, the liquor licensee or permittee shall be responsible for compliance with liquor laws and regulation.

#### **Commercial business employees shall not participate in FRE.**

(6) The owner, manager or any employee of the commercial business shall not be an officer of the FRE operator or participate in the operation of the FRE on that premises. No part of the operation or play of any gambling activity shall be conducted by the commercial business. The FRE operator shall be responsible for ensuring the commercial business does not participate in any of the FRE activities.

#### **WAC 230-25-110 FUND-RAISING EVENT – EQUIPMENT USE, LEASE OR RENTAL FROM LICENSEE ONLY.** (1) Fund-raising event (FRE) licensees must:

(a) Only purchase or rent gambling equipment from a licensed distributor or another FRE licensee; and

(b) Ensure the equipment it owns is only used during the operation of licensed FREs, or other authorized gambling activities it may offer.

#### **Equipment transfers by FRE licensees.**

(2) A FRE licensee may sell, loan or rent equipment acquired for its own FRE to another FRE licensee(s) for up to four events per year without being licensed as a FRE equipment distributor. The transfers must take place within the twelve calendar month period following the conduct of a licensed FRE.

#### **Equipment transfers by distributors.**

(3) Only persons holding a valid license to sell or distribute punch boards, pull-tabs, pull-tab dispensing devices, and/or FRE equipment are authorized to sell or lease gaming equipment to FRE licensees for use during a licensed FRE.

#### **Distributor responsibilities.**

(4) All commission rules relating to the sale or distribution of punch boards, pull-tabs, or pull-tab dispensing devices by distributors shall be applicable to the sale or rental of gaming equipment and pull-tabs used in a licensed FRE, except when such rules are inconsistent with the provisions of this section.

#### **Identification stamps not required.**

(5) FRE gambling equipment does not require commission approval or identification stamps.

#### **WAC 230-25-120 EXPENDITURE LIMITS FOR FUND-RAISING EVENTS.** (1) The purpose of a fund-

raising event (FRE) is to raise funds for organizational purposes. FREs should be operated with a profit motive as described in WAC 230-02-503. FRE licensees shall make a good faith effort to ensure that the expenses paid for all phases of the FRE, including premises, equipment rental, and prizes do not exceed the total gross receipts received for all phases of the activity.

#### **Price limit on sale and rental of FRE equipment.**

(2) No sale, rental or lease of gaming equipment, premises or services for use in a licensed FRE shall be transacted except on commercially reasonable terms established in the competitive market. All rentals shall be a lump sum or hourly rate and shall not be based upon a percentage of the income or profit derived from the conduct of a FRE.

#### **WAC 230-25-150 PULL-TABS AT FUND-RAISING EVENTS – AUTHORIZED.** Pull-tabs are authorized for

use at fund-raising events (FREs) and shall be treated as conducted solely under the FRE license: Provided, That pull-tabs shall not be offered for sale at *limited* FREs (see WAC 230-25-325). Except where superseded by WAC 230-25-160, all rules applicable to the operation of pull-tabs set forth in chapter 230-30 WAC shall be applicable to pull-tabs utilized at FREs.

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#### **WAC 230-25-160 PULL-TABS AT FUND-RAISING EVENTS – OPERATIONAL REQUIREMENTS – LIMITATIONS.**

The following requirements shall be utilized in the sale of pull-tabs at fund-raising events.

(1) All pull-tab series for use at fund-raising events shall contain the inspection identification stamps and record entry labels and shall be purchased for specific use at fund-raising events.

(2) Pull-tabs shall be removed from the packaging container and mixed before selling to the public. All pull-tabs will be sold out of a noncoin operated dispensing device (clear container). Pull-tab prices shall be equal to the price set by the manufacturer for each specific series. The maximum price for any pull-tab shall not exceed fifty cents.

(3) Up to a maximum of three pull-tab series may be out for play at one time. All pull-tabs shall be sold from a booth or similar confined area which prohibits public access to the pull-tabs.

(4) Each pull-tab series shall constitute a separate table and have a separate number. Each series shall have a separate corresponding lock box, money paddle, chip rack for making change and payment of prizes. All currency, coin, or chips used to purchase pull-tabs, shall immediately be placed in the corresponding lock box by the attendant(s) on duty. All change given back to players shall be in the form of chips or coin.

(5) All winning pull-tabs shall be defaced when cashed in and deposited in the corresponding lock box. Winning pull-tabs shall be paid in chips and coin only. Provided: Winning pull-tabs may be redeemed for additional tabs from the same series only. When a winning pull-tab of five dollars or more is cashed, the attendant shall conspicuously delete all references to that prize being available to players from the flare prior to awarding the prize. In addition, for prizes over twenty dollars, the attendant(s) will verify the winner's identity and record the date, and initial the winning pull-tab. The winner shall be required to print their name and date of birth in ink on the winning pull-tab or to an attached sheet of paper.

(6) When a series is removed from play, the series (including the flare), the corresponding lock box and chip rack shall be transported to the count room by a runner at which time the box shall be opened for tabulation. All gross gambling receipts collected, prizes paid and tabs sold shall be tabulated and recorded on the pull-tab accounting report furnished by the commission in accordance with the instructions attached to the accounting report.

(7) After completing the count, winning pull-tabs shall be packaged separately or banded and placed with the unused portion of that particular series in the original shipping container. The organization must retain the used series for a period of one year.

(8) At the completion of the fund-raising event, all series still out for play shall be transported to the count room in accordance with subsections (6) and (7) of this section. All unopened pull-tab series shall be returned to the licensed distributor who furnished the series for a full refund. Pull-tab series purchased for fund-raising events shall not be sold, or transferred.

#### **WAC 230-25-200 BINGO AT FUND-RAISING EVENTS.**

Bingo games conducted as part of a licensed fund-raising event (FRE) authorized by chapter 9.46 RCW shall be treated as conducted solely under the FRE license. All income, prizes awarded, and other expenses shall be separately accounted for, and reported to the commission as FRE activity. The following procedures apply to bingo conducted as part of a FRE:

(1) All general requirements and limitations set out in chapter 230-25 WAC apply.

#### **Income.**

(2) Income from bingo games shall be applied only against the maximum income permitted for FREs and shall not be applied against other maximum income limits imposed by chapter 9.46 RCW or the commission rules.

#### **Rules not applicable to FRE bingo.**

(3) All of the commission's rules applicable to the conduct of bingo games shall apply: Provided, That the following rules shall not be applicable to bingo games conducted as part of a FRE:

- (a) WAC 230-20-065;
- (b) WAC 230-20-070;
- (c) WAC 230-20-170;
- (d) WAC 230-20-242; and
- (e) WAC 230-20-246(10).

#### **Bingo card inventory.**

(4) If a FRE licensee is also a bingo licensee and uses disposable bingo cards for bingo games conducted at a FRE, the inventory control procedures of WAC 230-08-105 shall apply. A reference to all cards or packets of cards used shall be made in the inventory control records. If the organization does not have a license to conduct bingo, all unused cards or packets must be retained as part of the event record: Provided, That licensees may return unused cards or packets to the distributor if there are no breaks in the audit numbers of the unused portion. The distributor shall document the total number of cards or packets returned and the beginning and ending audit numbers.

#### **Bingo at *limited* FREs.**

(5) If bingo is conducted at a *limited* FRE (see WAC 230-25-325), only scrip shall be used to purchase bingo cards and participants may only play for merchandise prizes.

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**WAC 230-25-220 RAFFLES OR SIMILAR DRAWINGS CONDUCTED AT FUND-RAISING EVENTS.** Raffles or similar drawings may be conducted at fund-raising events (FREs) when they meet the following requirements:

#### **Sales and drawings at event only.**

(1) All aspects of a raffle or similar drawing must be conducted at the FRE to be considered a raffle held at such event. All tickets must be sold during the event and drawing(s) of a ticket, card, or other device must be held during the event.

#### **Sales and drawings conducted outside a FRE.**

(2) If any raffle ticket is sold, or any drawing for a raffle or similar drawing held, other than during a licensed FRE:

(a) No portion of the raffle or similar drawing shall be conducted at or during any licensed FRE; and

(b) The raffle or similar drawing shall not be considered as being held under the FRE license for such FRE.

#### **Raffles conducted under a FRE license.**

(3) Raffles or other similar drawings wherein the winner or winners are chosen by the drawing of a ticket or other card or device conducted at, or as a part of, a licensed FRE authorized by RCW 9.46.0311 shall be treated as conducted under the license to conduct that FRE. All income, prizes awarded, and other expenses shall be accounted for, and reported to the commission, as required for FREs but shall not be reported, or accounted for, as required for raffles conducted under a raffle license issued by the commission, or under different statutory authority: Provided, That the requirements of WAC 230-20-325 applicable to raffles shall be applicable to all such drawings conducted at a FRE, except that single chances on drawings may be sold for up to twenty-five dollars per chance.

#### **Income from raffles.**

(4) Income from raffles or other drawings conducted at, or as a part of, a FRE shall be applied only against the maximum income permitted for FREs and shall not be applied against other maximum income limits imposed by chapter 9.46 RCW or the commission's rules.

#### **Rules not applicable to FRE raffles.**

(5) All commission rules applicable to raffles, whether general or specific, shall apply to raffles and to the conduct of other similar drawings wherein the winner or winners are chosen by the drawing of a ticket or similar card or device at, or as a part of, a FRE, except as provided in subsection (3) of this section and except the following rules which shall not be applicable:

- (a) WAC 230-08-070;
- (b) WAC 230-20-350; and
- (c) WAC 230-12-020.

#### **Raffles conducted under a raffle license during a FRE.**

(6) Subsections (1) through (5) of this section shall not apply to a drawing held during a FRE if the raffle is conducted under a raffle license issued by the commission and all tickets for the raffle are sold and deposited into the drawing container before the beginning of the FRE.

#### **Raffles at limited fund-raising events.**

(7) Two types of raffles may be offered at *limited* FREs (see WAC 230-25-325):

(a) Raffles as set forth in subsection (1) through (6) of this section; and

(b) Raffles conducted during *limited* FREs or at the end of the event as a means of determining who will win merchandise prizes. Raffle tickets for these types of raffles shall only be purchased with noncash value scrip provided at the event by the FRE equipment distributor.

**WAC 230-25-230 RAFFLES OR SIMILAR LOTTERIES AT FUND-RAISING EVENTS – TICKETS TO BE SOLD AND INCOME TO BE ACCOUNTED FOR SEPARATELY.** (1) Tickets for entry into a raffle or similar lottery held at, and as a part of, a fund-raising event, wherein the winner or winners are determined by the drawing of a ticket from among tickets sold or issued, shall be sold or issued separately and each shall constitute a separate and equal chance to win with all other tickets sold or issued. No person shall be required to obtain more than one ticket, or to pay for anything other than the ticket, in order to enter any such raffle or similar lottery.

(2) The provisions of WAC 230-20-100 respecting receipting for, and accounting for, sales of raffle tickets and prizes shall apply to all such raffles and similar lotteries, which together shall be treated as raffles for the purposes of this rule. Each such raffle or similar lottery shall be accounted for separately from other activities in connection with the fund-raising event.

**WAC 230-25-235 FUND-RAISING EVENT – RULES FOR BLACKJACK.** The game of "21" (blackjack) when played as part of a licensed fund-raising event shall be played in conformance with the following:

(1) Cards shall be dealt from a dealing shoe. The deal shall begin with the shoe containing four full decks of cards and proceed until, in the dealer's judgment, the cards should be reshuffled or the cards withdrawn for examination and/or replaced. The shoe shall then be refilled with four decks of cards and the process repeated.

(2) All cards shall be dealt to the players face up.

(3) Players are not to remove or pick up cards from the table and will not "shuffle" or "cut" the cards.

(4) Only "standard size" playing cards shall be used.

(5) Cards may be shuffled using a device, apparatus, or mechanism. No device, apparatus, mechanism or thing which may give a participant in a card game an advantage over any other participant in that game may be used by any organization or person.

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**WAC 230-25-240 PRIZES TO BE AWARDED ONLY TO PERSONS WHO WERE PRESENT, AND PURCHASED TICKETS OR MADE WAGERS, AT FUND-RAISING EVENT.** No prize or wager shall be paid or awarded in connection with a fund-raising event to any person who is, or was, not present at the event himself and personally there made the wager, or obtained the ticket or chance, resulting in such award or payment.

**WAC 230-25-250 OPERATION OF PUNCH BOARDS AT A FUND-RAISING EVENT PROHIBITED.** No licensee to conduct a fund-raising event shall operate punch boards as a part of that event.

**WAC 230-25-260 BONA FIDE MEMBER OF ORGANIZATION CONDUCTING FUND-RAISING EVENT.** (1) For the purposes of eligibility to participate in managing or otherwise assisting in the operation of a fund-raising event, a person is a bona fide member of a bona fide charitable or bona fide nonprofit organization only when he or she:

(a) Has become a member prior to the commencement of the fund-raising event and such membership was not dependent upon, or in any way related to the payment of consideration to participate in, any gambling activity; and

(b) Has (i) been admitted upon written application, only after investigation and ballot, with such action being recorded in the official minutes of a regular meeting, or (ii) has held full and regular membership status in the organization for a period of not less than twelve consecutive months prior to the subject fund-raising event; and

(c) Has paid reasonable initiation or admission fees for membership, and/or dues, consistent with the nature and purpose of the organization and with the type of membership obtained and is not in arrears in payment of such fees or dues; and

(d) Has met all other conditions required by the organization for membership and is in all respects a member in good standing at the time of the subject fund-raising event.

(2) Member or bona fide member shall include only members of an organization's specific chapter or unit licensed by the commission or otherwise actively conducting the fund-raising event: Provided, That

(a) Members of chapters or local units of a state, regional, or national organization may be considered members of the parent organization for the purpose of a fund-raising event conducted by the parent organization, if the rules of the parent organization so permit;

(b) Members of a bona fide auxiliary to a principal organization may be considered members of the principal organization for the purpose of a fund-raising event conducted by the principal organization. Members of the principal organization may also be considered members of its auxiliary for the purpose of a fund-raising event conducted by the auxiliary; and

(c) Members of any chapter or local unit within the jurisdiction of the next higher level of the parent

organization, and members of a bona fide auxiliary to that chapter or unit, may assist any other chapter or local unit of that same organization licensed by the commission in the conduct of a fund-raising event.

**WAC 230-25-265 FUND-RAISING EVENT – REGULAR SALARY FOR LICENSEE'S EMPLOYEE NOT "PAYMENT" FOR WORK ON FUND-RAISING EVENT UNDER CERTAIN CONDITIONS – FOOD AND BEVERAGE EXCEPTION.** The salary of a regular and full time employee, or a regular but part time employee if the organization has employed a person in that part time position for the past three consecutive years, of an organization licensed to conduct fund-raising events shall not be deemed "payment" (as the term "paid" is used in RCW 9.46.0233) for work performed by the employee in connection with a fund-raising event conducted by that organization when all of the following conditions are met:

(1) The position held by the employee has been created for purposes unrelated to the conduct of fund-raising events and requires the performance of duties unrelated to fund-raising events year around. The employee's contribution to fund-raising events must be an incidental part of his or her total duties, consisting of less than 1% of total time worked for the organization; and

(2) The employee is paid on a recurring basis on a regular and established rate throughout the calendar year, unrelated to the income produced by any fund-raising event; and

(3) The employee does not operate any gambling game or lottery at any fund-raising event conducted by the organization but confines his or her services in connection with the event to assisting the organization's other members with the overall planning and organization of the event and with supervision of the supporting services for the event. However, such an employee who is also a bona fide member of the organization or its bona fide auxiliary and is not otherwise scheduled for duty in his or her assigned employee duties at the time the fund-raising event is to be held may participate in the conduct of the fund-raising event as a bona fide member as set out in WAC 230-25-260.

(4) For the purposes of this rule, the furnishing of food and nonalcoholic beverages to event volunteers, not to exceed \$20 per volunteer per event, shall not be construed as payment or compensation.

**WAC 230-25-270 CERTAIN INCIDENTAL FUNCTIONS AT FUND-RAISING EVENT NOT PART OF MANAGEMENT AND OPERATION OF EVENT.** Persons who perform only the following incidental functions in connection with a fund-raising event shall not be deemed to be participating in the "management or operation" of such an event for the purposes of that portion of RCW 9.46.020(23) requiring that persons participating in the management or operation of the event be members of the licensee organization:

(1) The serving of food and drink to participants in the event;

(2) The parking of cars;

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(3) Acting as a police officer for the purposes of maintaining general crowd control and order at the event, or to detect persons cheating the participants or the house, when that person is a commissioned law enforcement officer with the power to make arrests in the jurisdiction in which the event is being held or is the employee of a commercial securities service firm licensed by the city, town, or county, in which the event is being conducted to provide such services;

(4) Providing janitorial functions;

(5) Persons whose participation is limited to supervising personnel carrying out the functions enumerated in (1), (2), (3) and (4).

Provided, That the payment to persons to perform these functions does not exceed the local prevailing level of payment for a similar function at other than fund-raising events.

#### **WAC 230-25-310 FUND-RAISING EVENT – LIST OF WORKERS TO BE AVAILABLE ON PREMISES.**

(1) The licensee conducting a fund-raising event (FRE) shall prepare and have available on the premises a list of all persons taking part in the management or operation of the FRE. Such list shall contain the name, address, telephone number and a description of the type of membership in the organization of each person. The list shall be maintained as part of the licensee's records of the event and shall be made available to any law enforcement officer or representative of the commission upon request.

(2) Licensees conducting *limited* FREs (see WAC 230-25-325) shall include the name of the FRE equipment distributor and shall obtain from the distributor the names of all workers employed by the distributor who worked the event.

#### **WAC 230-25-315 WORKERS TO WEAR IDENTIFICATION TAGS.**

(1) Each licensee conducting a fund-raising event (FRE) shall furnish each member participating in the management or operation of the FRE an identification tag that, at a minimum, contains the names of the member and licensed organization. Name tags must include at least the member's first initial and last name or first name and initial of the last name. The licensee shall require each member to wear this tag at all times when the member is working at the FRE. The tag shall be worn in plain view so as to be easily seen and read by persons participating in the event. The type and style of tag shall be the option of the licensee.

(2) During a *limited* FRE (see WAC 230-25-325), employees of the FRE equipment distributor shall wear name tags that, at a minimum, state the first name of the employee and full name of the FRE equipment distributor.

#### **WAC 230-25-320 LIMITS FOR OPERATION AND PARTICIPATION IN FUND-RAISING EVENTS.**

No person under the age of eighteen years of age, and no person intoxicated or under the influence of any drug or substance shall be allowed to participate in the operation or management, or participate as a player, at any fund-raising event.

**WAC 230-25-325 LIMITED FUND-RAISING EVENT – PROCEDURES AND RESTRICTIONS.** Pursuant to RCW 9.46.0233(2), nonprofit or charitable organizations may offer *limited* fund-raising events (FREs). Organizations offering *limited* FREs must operate the FRE under the following operational procedures:

#### **Operating procedures.**

(1) Only members of the organization and their guests shall participate in the event. The event shall not be open to the general public.

(2) Participants shall purchase scrip with cash.

(3) Scrip shall be exchanged at gambling stations for chips.

(4) Only bona fide members will be utilized for all transactions involving acceptance of cash for scrip, conducting the schemes to determine the winners of merchandise prizes, and maintaining records during the event.

(5) The value of all purchased prizes must not exceed ten percent of the gross revenue from the event, less the cost of the FRE equipment rental contract.

(6) Any prizes purchased from the FRE equipment distributor must be disclosed. The cost may not exceed the fair market value. Prizes may be disclosed to the public at the retail value.

#### **FRE equipment distributors.**

##### *Limitations.*

(7) The nonprofit organization may only contract with a person or organization licensed as a FRE equipment distributor to provide the equipment and staff to operate the gaming stations.

(8) Under no circumstances shall employees of the FRE equipment distributor handle cash transactions or allow participants to purchase chips with cash.

##### *Compensation.*

(9) The fee paid to the FRE equipment distributor shall be in compliance with WAC 230-25-120. The FRE equipment distributor shall not share in any way in the proceeds of the event except as set forth in the rule.

#### **Information to be submitted with FRE application.**

(10) The application must include details relating to the initial cost to participate, and method for purchasing additional scrip, as well as identify all costs included in the initial price to enter that are not related to the gambling activity (i.e., meals, drinks, etc.). The application must also identify the scheme that will be followed to distribute the merchandise prizes to participants at the end of the event (i.e., raffle, auction, etc.).

(11) All contracts signed by the FRE licensee with the FRE equipment distributor and premises provider must be submitted with the FRE license application.

#### **Fees.**

(12) The licensing fee for a *limited* FRE shall be as set forth in WAC 230-04-202(4).